

ARTICLE APPEARED
ON PAGE 43WALL STREET JOURNAL
14 February 1984

CIA Played Big Role In Defunct Firm's Actions, Suit Says

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Agency Is Accused of Using
Company in Honolulu
As Cover for Activities

Special to THE WALL STREET JOURNAL
HONOLULU — The Central Intelligence Agency played a major role in the operations of the defunct Honolulu investment company, Bishop, Baldwin, Rewald, Dillingham & Wong Inc., according to details of a lawsuit.

The complaint was filed in a federal court here by the investment concern's chairman, Ronald R. Rewald, who is accused in a lawsuit filed by two investors of stealing part of more than \$10 million in investor funds missing since Bishop Baldwin's collapse in August. Most of the complaint was initially sealed as a result of a federal court order forbidding public comment on the CIA's possible involvement in Bishop Baldwin's activities.

The lawsuit claims that during the late 1970s, Mr. Rewald established Bishop Baldwin, and certain other Honolulu companies, on orders from the CIA to serve as a cover for various covert agency activities in the Far East and elsewhere. The lawsuit seeks \$671 million in damages.

The lawsuit charges that operating funds were provided to Bishop Baldwin by the CIA, and that the agency knew that CIA funds were commingled with legitimate investor accounts for the purposes of concealing covert operations. Among those operations was the sheltering of funds paid to, and received from, "highly placed" foreigners, according to the complaint.

A spokesman for the CIA said the agency wouldn't comment on specifics of the case. However, he stated that in a Sept. 1 statement, a bankruptcy judge in federal district court in Hawaii said he found "nothing in the documents (associated with the company's bankruptcy) to indicate that any of Rewald's slight involvement with intelligence activities explained any of the financial actions of Bishop, Baldwin, Rewald, Dillingham & Wong Inc."